CANADA MORTGAGE AND HOUSING CORPORATION

Saskatchewan

Housing Now

YOUR LINK TO THE HOUSING MARKET

Volume 1 Edition 1 2nd Quarter 1998

Housing starts highest in decade

Saskatchewan home builders are enjoying the strongest demand for new housing in more than a decade. At the end of the second quarter, urban housing starts were up almost 20 per cent over the same time period in 1997, itself a record year.

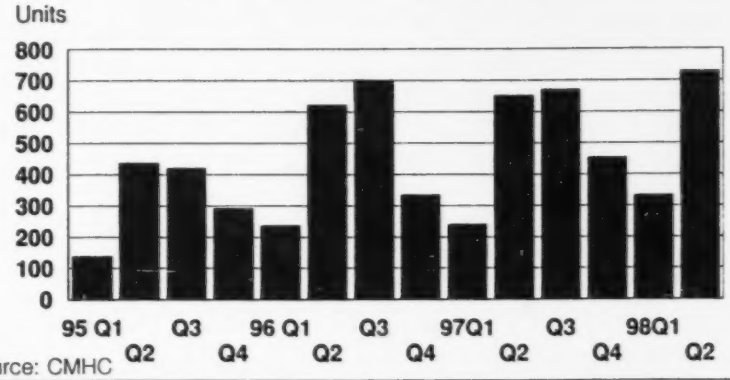
Single-family home construction has captured almost 70 per cent of all housing construction in the province increasing 13.5 per cent over last year at this time. New multiple construction, almost exclusively condominiums, is up 30 per cent over 1997 levels.

Housing starts are being driven by dramatic job growth occurring over the last two to three years. In fact, in the period 1995 to 1997, more than 14,000 new jobs were created in the province. Many of these are relatively higher-paying jobs in the province's growing manufacturing sector, which includes bio-research, the manufacture of farm implements, and food processing. Mining and oil and gas have also played a role in this prosperity.

There are signs this job growth is now peaking. Major farm implement manufacturers are laying off workers in anticipation of weak world grain prices and excess inventories. Furthermore, there are concerns about the quality of the 1998 crop. Oil drilling is down, due to falling world prices, although two capital projects relating to oil are underway in the Lloydminster area.

Net migration has fallen to a fraction of that seen in the late 1980's and the labour force is growing. Alberta, the traditional destination of Saskatchewan young people, is proving to be less attractive than in the past.

Saskatchewan
Total Urban Housing Starts



Source: CMHC

INSIDE

Analysis

New Construction Activity ... 1

Statistical Tables

Starts 3
Completions 4
Absorbed 5
Under Construction 6
Not Occupied 6
Activity Summary 7
Definitions 8

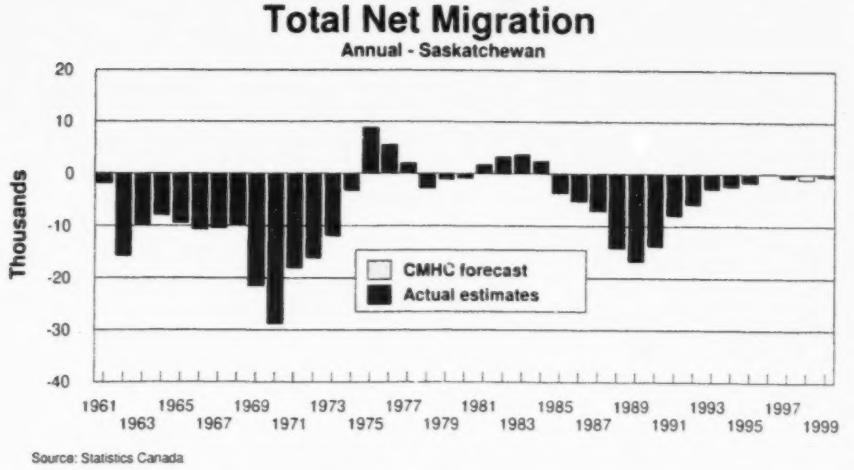
Saskatchewan has held its own, aided by Alberta's scarcity of affordable housing. If the Alberta economy falters, the prospects are for more in-migration from that province as Saskatchewan young people return to the nest.

Migration from rural areas is also playing a role in urban housing demand. Many in-migrating households are retirees, moving in from the farm seeking more convenient access to services.

Saskatoon housing starts lead province

The bulk of housing starts in Saskatchewan is taking place in Saskatoon, although this market is showing some signs of slowing. Year-to-date housing starts have slid, marginally, by two per cent. We expect Saskatoon will maintain the same level of starts seen in 1997.

CMHC SCHL
Canada



Single-family starts are only slightly less than last year, however home builders report traffic is heavy at show homes. Development outside the city has also fallen off slightly, perhaps because of the availability of competitively priced lots in city subdivisions such as Confederation Park, Westview and Silverspring. Further, land prices have risen in rural communities as more expensive new subdivisions come on stream.

New condominium development is slightly higher than last year, compensating somewhat for the slowing in single-family activity. Developers advise of plans for further condominium projects in the coming months so this market will continue to be an important source of housing activity in Saskatoon.

Boost in Regina housing starts

Year to date, Regina's housing starts have increased more than 50 per cent compared to last year at this time. Single-family starts have been the biggest contributor to the increase, up almost 30 per cent over last year at this time. Condominium starts, at 49 units, have been disappointing but a number of projects will begin in 1998 and 1999.

Another remarkable factor in Regina's recovery is the jump in home building occurring in the city's bedroom communities. Cumulative starts have doubled over last year at this time. Pilot Butte and Lumsden have proven to be the most popular with new home buyers looking for lower-priced lots and property taxes.

Starts in other Saskatchewan cities ahead of 1997

At the end of the second quarter, housing starts were up in all cities in the province except the Battlefords. Year to date housing starts have tripled in Moose Jaw and doubled in Estevan and Swift Current.

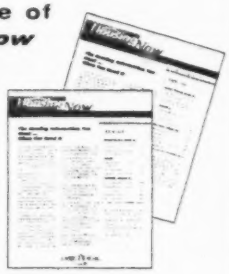
New housing production is closely related to the employment activity in the area. Prince Albert and Swift Current lead the way, benefiting from their proximity to the mining and oil and gas industries, while the Battlefords suffer from slow employment growth and close location to Saskatoon.

Housing starts to be stable

Our forecast is that housing starts will maintain their pace until year end, continuing to enjoy the lagged benefits of employment growth seen in the last two years. Demand for multiple housing, virtually all of which is condominium, should persist as it is driven largely by demographics rather than economics. Single-family housing construction is also protected somewhat from economic impacts by a scarcity of existing homes for sale, rising prices and increasing rents. Accordingly, though there are some negative economic factors on the horizon, there is good reason to expect housing starts to be maintained for the balance of the year.

Housing Now

The Housing Information You Need ... When You Need It



Every issue of *Housing Now* gives you an accurate and up-to-date picture of what's happening in your region, plus the information you need to identify opportunities and calculate risk levels

SUBSCRIBE TODAY!

For More Information:
Nicole Stang, Administrator - Client Services
Tel:(403) 515-3007 Fax:(403) 515-2930
e-mail:nstang@cmhc-schl.gc.ca

Table 1
Province of Saskatchewan
URBAN HOUSING STARTS - YEAR TO DATE

Area	Single		Multiple			Total		% Change
	1998 Q2	1997 Q2	Semi	Row	Apt	1998 Q2	1997 Q2	1998/1997
Regina CMA	162	125	2	8	35	207	131	58.02
City Only	110	93	2	0	35	147	99	46.48
Saskatoon CMA	229	228	24	28	117	398	412	-3.40
City Only	143	157	22	24	117	306	329	-6.99
Estevan	7	10	0	0	0	7	10	-30.00
Lloydminister	5	5	0	0	0	5	5	0.00
Moose Jaw	7	3	0	0	0	7	3	**
Battlefords	4	5	0	0	0	4	5	-20.00
Prince Albert	44	24	4	0	0	48	36	33.33
Swift Current	26	9	14	0	0	40	40	0.00
Yorkton	10	7	2	0	0	12	9	33.33
Total Urban	*494*	*416*	*46*	*36*	*152*	*728*	*651*	*11.83*

Table 1b
Province of Saskatchewan
URBAN HOUSING STARTS - JANUARY TO JUNE

Area	Single		Multiple			Total		% Change
	1998	1997	Semi	Row	Apt	1998	1997	1998/1997
Regina CMA	232	180	6	8	35	281	186	51.08
City Only	152	137	6	0	35	193	143	34.97
Saskatoon CMA	342	366	40	49	140	571	583	-2.06
City Only	239	255	38	45	140	462	460	0.43
Estevan	10	10	6	8	0	24	10	**
Lloydminister	9	9	4	0	0	13	9	44.44
Moose Jaw	8	3	2	0	0	10	3	**
Battlefords	4	5	0	0	0	4	5	-20.00
Prince Albert	48	29	4	0	0	52	41	26.83
Swift Current	47	15	16	0	29	92	46	100.00
Yorkton	11	7	2	0	0	13	9	44.44
Total Urban	*711*	*624*	*76*	*65*	*204*	*1,060*	*892*	*18.83*

*** Indicates a greater than 100 per cent change*

Table 2
Province of Saskatchewan
HOUSING COMPLETIONS - APRIL TO JUNE

Area	Single		Multiple			Total		% Change
	1998 Q2	1997 Q2	Semi	Row	Apt	1998 Q2	1997 Q2	1998/1997
Regina CMA	108	89	0	3	50	161	94	71.28
City Only	67	72	0	3	50	120	77	55.84
Saskatoon CMA	141	145	24	52	56	273	192	42.19
City Only	103	111	24	52	56	235	158	48.73
Estevan	0	0	0	0	0	0	0	0.00
Lloydminister	11	5	4	0	0	15	5	**
Moose Jaw	2	3	2	0	12	16	3	**
Battlefords	3	0	0	0	0	3	0	-
Prince Albert	12	16	0	0	0	12	16	-25.00
Swift Current	9	3	2	0	0	9	19	-52.63
Yorkton	2	2	2	0	0	4	2	100.00
Total Urban	*288*	*263*	*34*	*55*	*118*	*495*	*331*	*49.55*

Table 2B
Province of Saskatchewan
HOUSING COMPLETIONS - JANUARY TO JUNE

Area	Single		Multiple			Total		% Change
	1998	1997	Semi	Row	Apt	1998	1997	1998/1997
Regina CMA	190	140	2	3	50	245	149	64.43
City Only	111	105	2	3	50	166	114	45.61
Saskatoon CMA	247	231	34	87	56	424	399	6.27
City Only	184	170	34	87	56	361	3.34	38.32
Estevan	18	3	2	0	0	20	3	**
Lloydminister	20	10	4	0	0	24	10	**
Moose Jaw	8	29	2	0	12	22	62	-64.52
Battlefords	4	3	0	0	0	4	3	33.33
Prince Albert	42	25	0	12	0	54	25	**
Swift Current	44	11	16	0	29	89	27	**
Yorkton	7	4	6	0	0	13	18	-27.78
Total Urban	*580*	*456*	*66*	*102*	*147*	*895*	*696*	*28.59*

*** Indicates a greater than 100 per cent change*

Table 3
Province of Saskatchewan
Single Detached Sales By Price

104-00839/

Area	<90,000	90,000 109,999	110,000 129,999	130,000 149,999	150,000 169,999	170,000 189,000	190,000+	Total Units
Q2 1998								
Regina CMA	3	20	24	22	18	10	7	104
City Only	0	5	16	17	12	6	5	61
Saskatoon CMA	7	16	26	34	27	20	19	149
City Only	1	5	14	29	25	19	16	109
Total	*10*	*36*	*50*	*56*	*45*	*30*	*26*	*253*
Year To Date								
Regina CMA	10	32	44	34	33	16	10	179
City Only	2	9	24	25	23	9	8	100
Saskatoon CMA	12	25	38	46	49	31	40	241
City Only	2	8	22	40	45	29	33	179
Total	*22*	*57*	*82*	*80*	*82*	*47*	*50*	*420*

Table 3b
Province of Saskatchewan
Average Single-Detached Price By Quarter - 1998

Area	Q1	Q2	Q3	Q4	Annual * Average
Regina CMA	133,157	141,458	n\a	n\a	141,917
City Only	146,082	148,484	n\a	n\a	150,408
Saskatoon CMA	158,453	148,944	n\a	n\a	152,342
City Only	167,199	157,196	n\a	n\a	161,917

** Weighted Average*

HOUSING NOW provides an overview of a survey conducted monthly by CMHC. These surveys deal with Housing Starts, Completions and Absorptions for all CMA's across Canada. For more information please contact Paul Caton in Market Analysis at (306) 975-4897 or by fax at (306) 975-6066

HOUSING NOW is published by Canada Mortgage and Housing Corporation.

© All rights reserved.

The information, analysis and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analysis and opinions shall not be taken as representations for which CMHC or any of its employees shall incur responsibility.

Table 4
Province of Saskatchewan
UNDER CONSTRUCTION - June 1998

Area	Single		Multiple			Total		% Change
	1998	1997	Semi	Row	Apt	1998	1997	1998/1997
Regina CMA	180	185	6	8	169	363	241	50.62
City Only	126	122	6	0	169	301	178	69.10
Saskatoon CMA	298	314	56	125	297	776	758	2.37
City Only	215	224	54	121	268	658	650	1.23
Estevan	10	14	8	0	0	18	14	28.57
Lloydminister	3	4	0	0	0	3	4	-25.00
Moose Jaw	8	5	0	0	0	8	5	60.00
Battlefords	4	5	8	0	0	12	5	**
Prince Albert	46	26	4	0	24	74	38	94.74
Swift Current	26	20	12	0	29	67	55	21.82
Yorkton	11	11	2	0	0	13	23	-43.48
Total Urban	*586*	*584*	*96*	*133*	*519*	*1,334*	*1,143*	*16.71*

Table 4b
Province of Saskatchewan
COMPLETE NOT OCCUPIED - June 1998

Area	Single		Multiple			Total		% Change
	1998	1997	Semi	Row	Apt	1998	1997	1998/1997
Regina City Only	33	28	2	1	8	44	35	25.71
Saskatoon City Only	20	23	2	0	6	28	37	-24.32
Total Urban	*53*	*51*	*4*	*1*	*14*	*72*	*72*	*no change*

*** Indicates a greater than 100 per cent change*

Table 5
Province of Saskatchewan - Centres of 10,000 population and over
Housing Activity Summary

Activity	OWNERSHIP					RENTAL				
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt.	Row	Apt.	Row	Apt.	Total
STARTS										
April to June 1998	494	46	0	36	152	0	0	0	0	728
April to June 1997	416	58	0	81	96	0	0	0	0	651
January to June 1998	711	80	0	65	204	0	0	0	0	1,060
January to June 1997	624	76	0	96	96	0	0	0	0	892
UNDER CONSTRUCTION										
June 1998	586	96	8	125	519	0	0	0	0	1,334
June 1997	584	82	0	109	292	4	72	0	0	1,143
COMPLETIONS										
April to June 1998	288	34	0	55	118	0	0	0	0	495
April to June 1997	263	42	0	14	12	0	0	0	0	331
January to June 1998	580	66	0	102	147	0	0	0	0	895
January to June 1997	456	62	0	69	109	0	0	0	0	696
COMPLETED & UNOCCUPIED[2]										
June 1998	54	4	0	1	14	0	0	0	0	73
June 1997	51	3	0	0	18	0	0	0	0	72
TOTAL SUPPLY[2,3]										
June 1998	532	66	8	126	480	0	0	0	0	1,212
June 1997	550	77	0	97	281	4	62	0	0	1,071
ABSORPTIONS[2]										
April to June 1998	127	12	0	27	53	0	0	0	0	218
April to June 1997	117	21	0	8	18	0	0	0	0	164
12 Months Average	99	10	0	13	20	0	5	0	0	147

[1] May include units intended for condominium
[2] Centres of 50,000 population and over
[3] Sum of units under construction and units complete and unoccupied

Join us for a **TIMELY** series of presentations examining the dynamics of the **REGINA** and **SASKATOON** housing markets and what's ahead for **1999** ...

- **The Housing Market Outlook**
- **What's new in Housing Research**
- **Mortgage Insurance opportunities for rentals with CMHC**

CMHC Housing Outlook Seminar

October 5th 1998
Hotel Saskatchewan
Regina, SK
8:00am 10:00am
$35 includes GST

October 7th 1998
The Willows Golf and Country Club
Saskatoon, SK
8:00am 10:00am
$35 includes GST

To Register,Please Contact:
Nicole Stang, Administrator,Client Services
Telephone: (403) 515-3007 Facsimile: (403) 515-2930
Email: www.nstang@chmc-schl.gc.ca

DEFINITIONS AND BACKGROUND NOTES

Starts and Completions Survey

The purpose of this survey is to measure new residential construction activity. The common unit of measurement is the "dwelling unit" (as opposed to value).

The Starts and Completion Survey enumerates dwelling units in new structures only; such units being designed for non-transient and year-round occupancy. Thus, excluded from the survey are conversions, vacation homes, cottages and collective type dwellings.

Starts - refer to units where construction has advanced to the footing or foundation stage and in the case of multiples, a start applies to the individual unit.

Under Construction - refers to units that have started but are not complete (i.e. units under construction from the previous month plus starts for the current month minus completions during the current month plus/minus any adjustments to units under construction which may include cancellations of projects, re-initiations of projects and/or changes in tenure status).

Completions - refer to units where all proposed construction work has been performed or in some cases where ninety percent of all construction work is completed and the structure is fit for occupancy.

Completed and Unoccupied - refers to completed units of new construction which have never been occupied or sold (i.e. completed and unoccupied units from the previous month plus completions during the current month minus absorptions for the current month).

Total Supply - refers to the total supply of new units and includes, units under construction and units that are completed but not occupied (i.e. under construction plus completed and unoccupied for the current month).

Absorptions - refers to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units pre-sold or pre-leased are not included until the completion stage (i.e. completed and unoccupied units from the previous month plus completions for the current month minus completed and unoccupied units for the current month).

Dwelling units have been divided into four categories:

The definition of types of dwellings used are in accordance with those used in the Census.

Single-Detached - This type is commonly called a "single-house". It comprises only one-dwelling unit which is completely separate on all sides from any other dwelling or structure including linked homes which are attached below ground.

Semi-Detached - In this category each one of two dwellings are located side-by-side in a building and are separated by a common wall extending from ground to roof or by a garage.

Row - This category comprises a one-family dwelling unit in a row of three or more dwellings separated by common or party walls extending from ground to roof.

Apartment and Other - This category includes all dwelling units other than those described above. It includes structures such as: duplexes, double-duplexes, triplexes, row-duplexes, apartments proper and dwellings over or behind a store or other nonresidential structure. In accordance with the definition, single-detached units with legal secondary suites are included in this category.

Geographical coverage of the survey includes all metropolitan areas, census agglomerations and urban centres of 10,000 population and over, as defined by the Census. These areas are enumerated completely each month. The remainder of the branch territory is covered on a sample basis four times a year in March, June, September and December.

Market Absorption Survey

The purpose of this survey is to provide an indication of the short-term demand for home ownership and rental dwellings. The survey is designed to measure the rate at which units are sold or rented after they are completed.

The geographical coverage of the Market Absorption Survey is all metropolitan areas and all urban centres of 50,000 population and over.

In the Market Absorption Survey, certain dwellings are excluded for various reasons. These are: dwellings financed by CMHC or NHA Section 6, Non-profit Public and Private initiated housing, which are not subject to normal market criteria and dwellings constructed for model purposes.

Absorption in this report is defined as take up monitored at completions plus those from inventory. For the short term, absorptions are a function of actual completions and inventory levels.

1996 Census Definitions

A **Census Metropolitan Area** refers to the main labour market area of an urbanized core having 100,000 or more population.

A Census Agglomeration refers to the region labour market area of an urbanized core housing between 10,000 and 99,999 population. CMA's and CA's are created by Statistics Canada and are usually known by the name of the urban area forming their urbanized core. They contain whole municipalities (or census subdivisions) and are comprised of:

1. Municipalities if (a) at least 40% of the employed labour force living in the municipalities work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.

2. Other municipalities if (a) at least 40% of the employed labour force living in the municipality work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.

© 1998 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.